

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7092

Petition of Green Mountain Power Corporation,)
pursuant to 30 V.S.A. Section 248(j), for a)
certificate of public good authorizing the)
replacement of a 5.25 MVA transformer at its)
Waterbury Center Substation #47 with an)
existing spare 10.5 MVA transformer)

Order entered: 10/28/2005

I. INTRODUCTION

This case involves a petition filed by Green Mountain Power Corporation ("GMP") with the Vermont Public Service Board ("Board") on August 8, 2005, requesting a certificate of public good ("CPG"), pursuant to 30 V.S.A. § 248(j), in connection with GMP's proposed upgrade of the present 5.25 MVA transformer at its Waterbury Center Substation #47 to a 10.5 MVA transformer, located in the Town of Waterbury, Vermont.

Notice of the filing was sent on September 7, 2005, to all parties specified in 30 V.S.A. § 248(a)(4)(c) and all other interested parties. The notice stated that any party wishing to submit comments as to whether the petition raises a significant issue with respect to the substantive criteria of 30 V.S.A. § 248 needed to file such comments with the Board by October 7, 2005.

Notice of the filing was published in the *Times Argus* on September 9 and September 16, 2005. The notice requested comment by October 7, 2005, as to whether the petition raised a significant issue with respect to the substantive criteria of 30 V.S.A. § 248.

The Board has reviewed the petition and accompanying documents and agrees that, pursuant to 30 V.S.A. § 248(j), a CPG should be issued without the notice and hearings otherwise required by 30 V.S.A. § 248.

II. FINDINGS

1. GMP proposes to replace an existing 5.25 MVA transformer at the Waterbury Center #47 substation with a 10.5 MVA transformer. The 10.5 MVA transformer is currently held by GMP in inventory. Additionally, GMP proposes to install three larger voltage regulators at the substation. (Collectively, these upgrades are referred to herein as the "Project.") Kearney pf. at 1–3; exh. PK-2.

2. All proposed upgrades will take place within the existing footprint of the substation. The appearance of the substation will change slightly. Primarily, the upgraded transformer will be two feet higher than the existing transformer and the fence line at the back of the substation will increase in height from eight feet to ten feet. Kearney pf. at 6; exh. PK-2.

3. The proposed 10.5 MVA transformer will contain 1070 gallons of oil, compared to 830 gallons of oil for the existing 5.25 MVA transformer. There are no PCBs in the oil. Kearney pf. at 6.

4. GMP proposes to install an oil-containment system for the proposed 10.5 MVA transformer. The system would consist of a 14-foot by 15-foot containment area under the transformer. An oil-proof fabric would be installed inside a perimeter of pressure-treated planks. The containment area will be designed to contain the entire volume of transformer oil as well as 3.5 inches of precipitation. The substation is inspected regularly and any rainfall in the pit will be checked for oil and pumped clean. Any transformer oil that enters the oil-containment system will be treated and disposed of in accordance with GMP hazardous waste policies. Kearney pf. at 6.

Orderly Development of the Region

[30 V.S.A. § 248(b)(1)]

5. The proposed Project will not have an adverse impact on the orderly development of the region with due consideration having been given to the recommendations of the land conservation measures contained in the Waterbury Town Plan. Kearney pf. at 9; letter of August 4, 2005, from Stephen Lotspeich, Community Planner, Town & Village of Waterbury, to Harriet King, Counsel for GMP.

Need for Present and Future Demand for Service

[30 V.S.A. § 248(b)(2)]

6. The proposed Project is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost effective manner through conservation programs and measures and energy efficiency and load management measures. This finding is supported by findings 7 through 10, below.

7. The existing 5.25 MVA transformer operated at 95% of its peak capacity in the winter of 2004–2005, with load demand peaking at 5 MVA. The upgrade is required to meet the greater anticipated demand in the winter of 2005–2006. Kearney pf. at 2.

8. The Waterbury area is experiencing significant load growth. In April of 2005, GMP issued ability-to-serve letters for a new Shaw's supermarket and a large condominium development in the Waterbury Center service territory, representing an increase of approximately one MW of new load. Consequently, the existing substation transformer is predicted to operate at approximately 105% of capacity in the winter of 2005–2006. GMP will not issue additional ability-to-serve letters until a larger transformer is installed. Kearney pf. at 2; exh. PK-1.

9. The proposed Project is not a long-term solution to the capacity constraints in the Waterbury Center area. Currently, GMP is considering construction of a new substation in the area. Such a project would provide needed capacity and greater reliability for GMP customers but cannot be completed in time to address the capacity constraints of the area for the winter of 2005–2006. Installation of the proposed 10.5 MVA transformer at the substation will solve the immediate capacity problem and provide time for GMP to plan and implement a long-term solution. Kearney pf. at 3, 5.

10. Conservation measures could not be utilized to meet the capacity constraints in the Waterbury Center area. Kearney pf. at 8.

Discussion

As the proposed findings above demonstrate, the proposed Project is needed to meet anticipated load levels in the coming winter. We are concerned that GMP has issued ability-to-serve letters for projects when, in fact, GMP apparently did not have the ability to provide service

without a not-yet-approved upgrade to its system. To address this concern we are requiring GMP to file with the Board and the Department the following information: (1) GMP's protocol for determining whether to issue ability-to-serve letters; and (2) GMP's preliminary plan for addressing the long-term capacity constraints in the distribution system served by its Waterbury Center substation #47. This information must be filed within one month of the issuance of this Order.

System Stability and Reliability

[30 V.S.A. § 248(b)(3)]

11. The proposed Project will not adversely affect system stability and reliability. Kearney pf. at 3–4.

Economic Benefit to the State

[30 V.S.A. § 248(b)(4)]

12. The proposed Project will provide an economic benefit to the state. This finding is supported by findings 13 and 14, below.

13. The cost of the proposed transformer upgrade is approximately \$132,400. This figure includes the installation of the 10.5 MVA transformer, new voltage regulators, removal of the existing transformer, oil-containment and fencing improvements, and engineering and permitting. The upgrade will be accounted for as a capital expenditure. Kearney pf. at 7.

14. The proposed Project allows GMP to issue ability-to-serve letters for developments in the area. Kearney pf. at 2.

**Aesthetics, Historic Sites, Air and Water Purity,
the Natural Environment and Public Health and Safety**

[30 V.S.A. § 248(b)(5)]

15. The modifications as proposed will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment and public health and safety. This finding is supported by findings 16 through 30 below, which are the criteria specified in 10 V.S.A. §§ 1424(a)(d) and 6086(a)(1)-(8)(a) and (9)(k).

Outstanding Resource Waters

[10 V.S.A. § 1424(a)(d)]

16. There are no designated outstanding resource waters in the vicinity of the proposed Project. Kearney pf. at 9.

Water and Air Pollution

[10 V.S.A. § 6086(a)(1)]

17. The proposed Project will not produce any emissions or waste and, consequently, will not result in undue water or air pollution. Kearney pf. at 9.

Headwaters

[10 V.S.A. § 6086(a)(1)(A)]

18. The proposed Project will not have an undue adverse impact on any headwaters. Kearney pf. at 9.

Waste Disposal

[10 V.S.A. § 6086(a)(1)(B)]

19. The proposed Project will meet all applicable health and environmental conservation regulations for the disposal of waste and will not involve the injection of waste materials or any harmful or toxic substances into groundwater or wells. The addition of the oil-proof fabric to the oil-containment facility will provide better protection against oil-spill pollution than the existing berm. Kearney pf. at 6, 8.

Water Conservation

[10 V.S.A. § 6086(a)(1)(C)]

20. The proposed Project will not utilize water during or after construction. Kearney pf. at 8.

Floodways, Streams, and Shorelines

[10 V.S.A. §§ 6086(a)(1)(D)(E) &(F)]

21. The proposed Project is not located on or adjacent to any floodways, streams, or shorelines. Kearney pf. at 9.

Wetlands

[10 V.S.A. § 6086(a)(1)(G)]

22. The proposed Project is located in a Class II wetland. The proposed upgrade will be located entirely within the existing substation footprint and will not result in an undue adverse impact on the wetland. No Conditional Use Determination from the Agency of Natural Resources is required for the proposed Project. Kearney pf. at 8–9; exh. PK-4.

Sufficiency of Water and Burden on Existing Water Supply

[10 V.S.A. §§ 6086(a)(2)&(3)]

23. The proposed Project will not require water and will not place a burden on any existing water supply. Kearney pf. at 8.

Soil Erosion

[10 V.S.A. § 6086(a)(4)]

24. The only disturbance of soils resulting from the proposed Project will involve the installation of the improved oil containment system. GMP will use appropriate soil erosion measures during construction of the oil containment system. The proposed Project will not result in unreasonable soil erosion or reduction in the capacity of the land to hold water so that a dangerous or unhealthy condition may result. Kearney pf. at 8.

Transportation Systems

[10 V.S.A. § 6086(a)(5)]

25. The proposed Project will not cause unreasonable congestion or unsafe conditions with respect to any surrounding transportation system.¹ Kearney pf. at 9.

1. GMP has not provided specific evidence on several criteria, including transportation systems, educational and municipal services, public investments, necessary wildlife habitat, and existing or planned transmission facilities. Instead, GMP provided general testimony to address these criteria (and others) collectively. Notwithstanding this shortcoming, we are approving the petition because the proposed upgrades are minor, and no person or entity has contested any issues related to the proposed Project. In the future, GMP must provide evidence that specifically addresses each of the Section 248(b) criteria.

Educational Services

[10 V.S.A. § 6086(a)(6)]

26. The proposed Project will not cause a burden on the ability of any municipality to provide education services. Kearney pf. at 9.

Municipal Services

[10 V.S.A. § 6086(a)(7)]

27. The proposed Project will not require any municipal services. Kearney pf. at 9.

**Aesthetics, Historic Sites
and Rare and Irreplaceable Natural Areas**

[10 V.S.A. § 6086(a)(8)]

28. The proposed Project will have a negligible impact on aesthetics. The footprint of the substation will not change, and the height profile will not increase significantly. The substation is located more than 100 feet from Route 100 and is partially screened by trees. Kearney pf. at 7.

Discussion

Based on the above finding, the Board finds that the proposed Project will not have an undue adverse effect on the aesthetics or scenic and natural beauty of the area. In reaching this conclusion, the Board has relied on the Environmental Board's methodology for determination of "undue" adverse effects on aesthetics and scenic and natural beauty as outlined in the so-called Quechee Lakes decision. Quechee Lakes Corporation, #3W0411-EB and 3W0439-EB, dated January 13, 1986.

As required by this decision, it is first appropriate to determine if the impact of the project will be adverse. The project would have an adverse impact on the aesthetics of the area if its design is out of context or not in harmony with the area in which it is located. If it is found that the impact would be adverse, it is then necessary to determine that such an impact would be "undue." Such a finding would be required if the project violates a clear written community standard intended to preserve the aesthetics or scenic beauty of the area, if it would offend the

sensibilities of the average person, or if generally available mitigating steps would not be taken to improve the harmony of the project with its surroundings. The Board's assessment of whether a particular project will have an "undue" adverse effect based on these standards should be significantly informed by the overall societal benefits of the project.²

The proposed Project will result in slightly larger equipment at the site. The visual impact will be negligible.

Necessary Wildlife Habitat and Endangered Species

[10 V.S.A. § 6086(a)(8)(A)]

29. The proposed Project will not significantly destroy or imperil necessary wildlife habitat or any endangered species. Kearney pf. at 9.

Development Affecting Public Investments

[10 V.S.A. § 6086(a)(9)(K)]

30. The proposed project will not unnecessarily or unreasonably endanger any public or quasi-public investments. Kearney pf. at 9.

Least-Cost Integrated Resource Plan

[30 V.S.A. § 248(b)(6)]

31. The proposed Project complies with GMP's current approved integrated resource plan. Kearney pf. at 5.

Compliance with Electric Energy Plan

[30 V.S.A. § 248(b)(7)]

32. The proposed Project is consistent with the Vermont Twenty-Year Electric Plan. Letter of October 12, 2005, from Jim Porter, Special Counsel of the Department of Public Service, to Harriet King, Counsel for GMP.

2. Docket 6884, Order of 4/21/04 at 20-21.

Outstanding Resource Waters

[30 V.S.A. § 248(b)(8)]

33. There are no designated outstanding resource waters in the vicinity of the proposed Project. Kearney pf. at 9.

Existing or Planned Transmission Facilities

[30 V.S.A. § 248(b)(10)]

34. The proposed Project can be served economically by existing or planned transmission facilities. See findings 6 through 11, above.

III. CONCLUSION

Based upon all of the above evidence, we conclude that the proposed construction will be of limited size and scope; the petition does not raise a significant issue with respect to the substantive criteria of 30 V.S.A. § 248; the public interest is satisfied by the procedures authorized by 30 V.S.A. § 248(j); and the proposed project will promote the general good of the state.

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that the proposed modifications, in accordance with the evidence and plans presented in this proceeding, will promote the general good of the State of Vermont in accordance with 30 V.S.A. Section 248, and a certificate of public good shall be issued in the matter.

GMP shall file the following information within one month of the issuance of this Order: (1) GMP's protocol for determining whether to issue ability-to-serve letters; and (2) GMP's preliminary plan for addressing the long-term capacity constraints in the distribution system served by its Waterbury Center substation #47.

Dated at Montpelier, Vermont this 28th day of October, 2005.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: October 28, 2005

ATTEST: s/Susan M. Hudson
Clerk of the Board

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.